



NUMBER 137 NEWS-KEY June 27, 1942

Behind the Bund Probe .....	page 1
Vonsiatsky Sentenced .....	page 2
Case of Paul Scheffer .....	page 3
Nazi Spies at Work .....	page 4

nd St., New York  
y Hill 5-0688-9

rt E Kahn  
ial Consultants  
. F. L. Schuman  
nnes Steel  
nd Stowe  
drik van Loon  
he Williams

Number 137

June 27, 1941

#### BUND LEADERS TO BE INDICTED ON CRIMINAL CHARGES

The Hour can exclusively disclose that as a result of the Federal Grand Jury investigation of the German-American Bund which is now being conducted in New York City, a number of former Bund leaders will probably be indicted on criminal charges. The exact nature of these charges cannot now be divulged, as the Bund leaders themselves are desperately eager to learn what incriminating evidence the U. S. Department of Justice has against them. However, we can reveal the Grand Jury probe will conclusively establish that leaders of the Nazi-controlled Bund were plotting against the Government of the United States.

#### Bund Background

The German-American Bund, which was organized early in 1936, was an outgrowth and a consolidation of the League of the Friends of New Germany and other German-American fifth column organizations which had been established by the Nazis in the United States. The Bund was set up under orders from Rudolf Hess, then Hitler's deputy, and Ernst Wilhelm Bohle, head of the Auslands-Organization (Organization of Germans Living Abroad). The function of the Bund was to form a Nazified German-American bloc which would carry on espionage and sabotage operations, spread disruptive propaganda and perform other fifth column tasks for Berlin.

It is not without significance that, with the United States at war against Nazi Germany, a number of former Bund members hold jobs in essential war industries. They were carefully placed in these jobs long before the attack on Pearl Harbor.

\* \* \* \* \*

#### CROSS AND FLAG CONTINUES TO SPREAD SEDITIOUS PROPAGANDA

The Cross and The Flag, which is published in Detroit by Fifth Columnist Gerald L. K. Smith (ex-Silver Shirts No. 3223) continues to spread disruptive propaganda aimed at undermining confidence in the war leadership of this nation, weakening the morale of the American people and generally sabotaging the U. S. war effort. The current issue of

Smith's sheet is filled with the poisonous pro-fascist diatribes that have characterized the magazine since the appearance of its first number in April. In an article violently attacking the Administration, the pro-Axis rabble-rouser Smith declares:

"Even though some of your clique may be in power in Washington, we shall continue to refuse to judge our government by these exceptions. But we shall determine that the exception shall not become the rule -- and that the exceptions shall not become the rulers.

"Get off your high horses, you potential tyrants, you over-ambitious bureaucrats, you traitors to America! WE, THE PEOPLE, ARE STILL HERE!"

The group to which Smith is referring when he speaks of "WE, THE PEOPLE," and the group which Smith seeks to place in power, is clearly indicated in this excerpt from another article in the same issue:

"I am defending the friends of Father Coughlin, who have been bulldozed, manhandled and abused by a set of ruthless Communists."

With the United States entering its eighth month of war, it is high time to put an end to the seditious propaganda work of Detroit self-proclaimed "defender" of America's stormtroop bands.

\* \* \* \* \*

#### SENTENCE OF ANASTASE VONSIATSKY

On June 22 Anastase Vonsiatsky, head of the Russian National Fascist Revolutionary Party, pleaded guilty in a Federal Court in Hartford, Connecticut, to the charge of conspiracy to violate the Espionage Act and divulge military information to Germany and Japan. Vonsiatsky was sentenced to serve a prison term of five years and was fined \$5,000.

As early as July 30, 1939, The Hour revealed that Anastase Vonsiatsky had participated in a number of torture murders before he came to this country in the early 1920's. In subsequent issues of our newsletter we pointed out that Vonsiatsky had concealed his criminal past when he applied for and obtained U. S. citizenship papers. Because of his having thus illegally become a citizen of the United States and because of his long record of conspiracy to overthrow the Government of this country and his traitorous work as an espionage agent of Germany and Japan, The Hour urges that U. S. Government authorities now revoke the citizenship of Anastase Vonsiatsky and that they deport him as soon as he has completed serving his prison sentence.

\* \* \* \* \*



## CASE OF PAUL SCHEFFER

On November 29, 1941, The Hour revealed that Paul Scheffer, the Nazi journalist who had been expelled from the Soviet Union because of his espionage and sabotage activities in that country, was making his headquarters in New York City. We reported that when interviewed by us, Herr Scheffer had somewhat reluctantly explained that he was acting as a "special correspondent" for Das Reich, the official publication of Dr. Goebbels' Propaganda Ministry. (The work of Dr. Goebbels' Ministry is inseparably linked with that of the Gestapo and of the German Military Intelligence; Dr. Goebbels has his own espionage department, called the Abwehr [Counter-Action] Department.)

Shortly after Nazi Germany declared war on the United States, Paul Scheffer was quietly picked up by agents of the U. S. Department of Justice. He was interned at Asheville, North Carolina.

The Hour now learns that, strangely enough, Scheffer may soon be set free and -- even more strangely -- that Scheffer may be permitted to take out U. S. citizenship papers.

## Scheffer's Record

During the days of the Weimar Republic, Paul Scheffer was known as a "liberal" journalist on the Berliner Tageblatt. But when Adolf Hitler came to power and anti-Nazi newspapermen were thrown into concentration camps, were shot or managed to escape from the country, Paul Scheffer was treated with surprising consideration by the new fascist regime. Scheffer received a comfortable job at good pay. He prospered under the Nazis, who obviously held his services in high regard.

It was not without reason that the late William E. Dodd, then U. S. Ambassador to Germany, wrote in his diary on November 15, 1936: "I have been watchful of this Scheffer who was a Social Democrat a few years ago ... and is now a good Nazi." Ambassador Dodd also mentioned the fact that the ex-Social Democrat Scheffer "criticized the whole American program in Latin America, said it was a renewal of the Monroe Doctrine in its former aggressive shape and that Roosevelt had no right to influence South American policy."

## Scheffer's Work in the Soviet Union

A year and a half after Ambassador Dodd referred in his diary to his suspicions about Scheffer, some sensational public disclosures were made about the German journalist.

In 1938 in Moscow, twenty-one Soviet citizens were tried before the Military Collegium of the Supreme Court of the U.S.S.R., "on charges of treason to the country, espionage, committing acts of diversion, terrorism, wrecking, undermining the military power of the U.S.S.R. ..." Among the accused was a man by the name of Mikhail Chernov, who admitted that he had been acting as a spy and saboteur in the pay of the German Intelligence Service.

(More)

Chernov testified that one of the German agents with whom he had worked and from whom he had received instructions was "Paul Scheffer, correspondent of the German Berliner Tageblatt."

After describing how Scheffer first came to him for "information," Chernov stated:

"I transmitted information to the German Intelligence Service, and through him received instructions from the latter about the organization of wrecking work. I had an especially long conversation with Scheffer on the organization of wrecking work in the sphere of grain collections and grain supplies. The chief task assigned me by the German Intelligence at that time was to arrange to spoil grain within the country. ... These commissions that Scheffer gave me I carried out. Then Scheffer left the Soviet Union. Before his departure he told me that in view of the danger of exposure he would have to leave for Germany, but that the German Intelligence Service would not fail to establish connections with me."

The Military Collegium sentenced Mikhail Chernov to be shot for the espionage and sabotage activities he had carried out under instructions from Paul Scheffer and other German agents. The Russian traitor was executed along with a number of other fifth columnists. (Joseph E. Davies, then U. S. Ambassador to the Soviet Union, who was present at the trial, later stated: "In the light of present facts, and after an examination of the record, there can be no doubt that these defendants were, directly or indirectly, in the employ of the German and the Japanese High Commands.")

#### Scheffer in the United States

For several years after the completion of his work in the Soviet Union, Scheffer remained in Germany. Then he again traveled abroad, in the service of Nazi Germany. This time he came to the United States, as a "correspondent" for Dr. Goebbels.

In America Scheffer, who was amply supplied with Nazi funds, maintained close contact with the Nazi newspapermen-spies Rudolf Mattfeldt in Washington, and Margret Boveri, August Halfeld and Herbert Gross in New York. Periodically, Scheffer sent articles to Germany, which appeared under his by-line in Dr. Goebbels' Das Reich.

#### Question of Scheffer's Release

Such, in brief, is the career and character of the Nazi journalist Paul Scheffer, who today is attempting to secure his release from internment and to apply for U. S. citizenship papers.

With the United States at war, it seems highly advisable -- to put it mildly -- that this Nazi journalist-spy should be kept safely behind bars.

— • —